

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: May 24, 2011
Request for Amendment to Initial Resolution

Prepared by: *Jayme Feldmann*

Applicant:	Best Way Disposal Co., Inc. and/or its Affiliates	Amount Requested:	\$14,360,000
Project	Hesperia (San Bernardino County)	Application No.:	00834(SB)
Location:		Initial Resolution No.:	10-05
		Prior Actions:	IR Approved 4/28/10

Summary. Best Way Disposal Co., Inc. and/or its Affiliates (the “Company”) requests approval of an amendment to Initial Resolution Number 10-05 to purchase land and to extend the expiration date of the Initial Resolution. The Initial Resolution was approved on April 28, 2010 for an amount not to exceed \$14,360,000 to finance an expansion of its Material Recovery Facility (MRF), building construction and site improvements, and the acquisition of waste hauling tractors and trailers, drop boxes, bins, carts and containers and expires on April 28, 2013.

Borrower. The Company incorporated in California on June 27, 1967, and provides refuse collection and disposal services in Hesperia.

The principal stockholders of the Company are as follows:

Robert E. Bath	51%
Sheila R. Bath	<u>49%</u>
Total:	<u>100%</u>

Legal Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Project Description. The Company collects and processes solid waste material, and intends to expand its materials recovery and maintenance facilities and make related improvements at its site in Hesperia. The project includes building construction, site improvements and the acquisition of waste hauling tractors and trailers, the purchase of additional land, and the procurement of drop boxes, bins, carts, and containers.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation in 2011.

Financing Details. The Company anticipates the issuance of negotiated tax exempt bonds.

Financing Team.

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Law Offices of Leslie M. Lava
Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of an amendment to Initial Resolution No. 10-05 for Best Way Disposal Co., Inc. and/or its Affiliates for an amount not to exceed \$14,360,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.

**AMENDMENT OF RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO
FINANCE SOLID WASTE DISPOSAL/RECYCLING FACILITIES FOR
BEST WAY DISPOSAL CO., INC. AND/OR ITS AFFILIATES**

May 24, 2011

WHEREAS, the California Pollution Control Financing Authority (“Authority”) by its Resolution No. 10-05 (“Initial Resolution”) has heretofore declared the Authority’s official intent to issue revenue bonds for the financing of solid waste disposal/recycling equipment to be owned and operated by Best Way Disposal Co., Inc., a California corporation, and/or its Affiliates (as defined therein) (collectively, “Company”), which equipment was expected to be comprised of the expansion and renovation of its materials recovery and maintenance facilities, the construction of site improvements and the acquisition of rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto and the acquisition of drop boxes, bins, carts and containers (collectively, “Initial Facilities”), to be located at the site described in Exhibit A thereto (“Initial Exhibit A”); and

WHEREAS, the Company now desires, and has requested the Authority, to amend the Initial Resolution in order to (i) amend the definition of the Initial Facilities to include the acquisition of land (as so amended, the “Facilities”); and (ii) add additional sites at which certain of the Facilities will be located to the addresses listed in the Initial Exhibit A, all such sites being set forth in Exhibit A hereto; and (iii) extend the expiration date of the Initial Resolution; and

WHEREAS, the Authority has determined that it is necessary and advisable that the foregoing be approved.

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Authority hereby approves (i) the amendment of the definition of Facilities in the Initial Resolution as set forth above and any references in the Initial Resolution to “Facilities” shall refer to “Facilities” as defined in this Amendment of Initial Resolution; and (ii) approves Exhibit A hereto and any references in the Initial Resolution to “Exhibit A” thereto shall refer to “Exhibit A” as set forth in this Amendment of Initial Resolution.

Section 2. The Initial Resolution, as amended by this Amendment of Initial Resolution, shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, it shall cease to be effective on May 24, 2014 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of the Initial Resolution, as amended by this Amendment of Initial Resolution, which it will do only after receiving a specific request for such action from the Company, accompanied by an explanation of the reason why the project has not proceeded prior to the date of the letter.

Agenda Item 4.A.1.

Section 3. Except as amended by Sections 1 and 2 hereof, all provisions and conditions of the Initial Resolution shall remain unchanged and in full force and effect.

Section 4. The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts in order to communicate this Amendment of Initial Resolution to the Company and otherwise to effectuate the purposes of this Amendment of Initial Resolution.

EXHIBIT A

NUMBER: 10-05

LOCATIONS: 17105 Mesa Street
Hesperia, California 92345

APN 0415201100000
APN 0415201110000
APN 0415201060000
APN 0415201070000
APN 0415211160000
APN 0415201240000
APN 0415201105000
APN 0415201104000
Hesperia, California 92345

TYPE: Solid Waste Disposal/Resource Recovery

AMOUNT: Up to \$14,360,000